

HOUSE BILL 1925

By Johnson C

AN ACT to amend Tennessee Code Annotated, Title 9,
Chapter 4 and Title 9, Chapter 5, relative to public
deposits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 9-4-103, is amended by adding the
following as a new subdivision (11):

(11)

(A) Any bond, obligation, or security identified in subdivisions (1), (2), (3),
(4), (5) and (7) that contain coupons with variable interest rates or coupons with
interest rates that increase ("step-up") at regular intervals;

(B) In accepting securities under this subdivision (11), the state treasurer,
with the concurrence of the commissioners of finance and administration and
financial institutions, may discount the face value of such bonds, obligations, or
instruments in an amount not more than twenty percent (20%) to account for any
uncertainty in the ability to provide a current market value on such securities on a
regular basis.

SECTION 2. This act shall take effect on July 1, 2011, the public welfare requiring it.